



EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

Approved For Release 2003/08/13 : CIA-RDP84B00890R000500110003-0  
WASHINGTON, D.C. 20503

Bulletin No. 81-6

January 24, 1981

TO THE HEADS OF EXECUTIVE DEPARTMENTS AND ESTABLISHMENTS

SUBJECT: Federal Civilian Hiring Freeze

1. Purpose. This Bulletin provides for an immediate and total freeze on the hiring of Federal civilian personnel as directed by the President on January 20, 1981. Instructions are also provided for appeals in a very limited number of situations where exceptions may be warranted.
2. Rescission. OMB Bulletin No. 80-7, dated March 17, 1980, is hereby rescinded, together with any exemptions granted under its provisions.
3. Authority and background. The Budget and Accounting Act of 1921, as amended. The President has directed that a total freeze be placed on the hiring of Federal civilian employees in the Executive Branch. This Bulletin outlines the steps that will be taken to carry out this directive.
4. Coverage. These instructions apply to all Executive Branch departments and establishments.
5. Policy. It is the policy of this Administration that the overall size of the Federal civilian workforce shall be reduced as expeditiously as possible. Toward that end, Executive Branch departments and establishments are directed to stop immediately all hiring.  
  
Except for the exemptions listed below, this hiring limitation applies to all departments and establishments and to all types of appointments, temporary as well as permanent.  
  
Contracting with firms and institutions outside the Government will not be used to alleviate or circumvent the effect of this hiring freeze.
6. Exemptions. The following exemptions to the hiring freeze are permitted:

- a. upon determination by the agency head that hiring is necessitated by emergency situations involving directly the safety of human life or the protection of property. The determination must be based upon a clear indication that human safety could be affected directly or that property could be damaged. Such a determination may be applied in situations where medical, hospital, or other health care is furnished directly and where protection of property or persons is the primary purpose of employment. Air safety functions are also included. This exception does not apply to employment involving research, or other activities that ultimately affect human safety. It also does not apply to employment for maintenance of facilities or land and forest management.

An agency head who determines that this exemption is applicable must immediately notify the Director of OMB in writing that the exemption is being used and state the reasons therefor as well as the number of positions involved. The Director of OMB may overturn the exemption, if, in his view, it is not warranted.

- b. the filling of positions under programs that are presently exempt from employment ceilings.
- c. hiring in accordance with firm written commitments made on or before November 5, 1980, by agency personnel officers.
- d. hiring by the U.S. Postal Service.
- e. reassignments of personnel within an agency.
- f. appointments to Executive Level positions and noncareer appointments in the Senior Executive Service.
- g. appointments to Schedule C positions. In filling these positions, the number of such appointments may not exceed the number of Schedule C positions existing in each agency as of November 5, 1980.
- h. shifting of employees from one agency to another because of a transfer of functions resulting from Presidential reorganization or legislative action.
- i. hiring by Executive Branch agencies whose on-board total employment as of December 31, 1980, was less than 100. (Hiring by such agencies will not exceed the number of vacancies that occur after December 31, 1980.)

- j. seasonal hiring of temporary employees consistent with historical hiring patterns may be continued, provided that the agency informs OMB in writing in advance of its hiring plans. Such hiring of temporary employees may not be used as a means to circumvent this Bulletin.
- k. to facilitate the transition, a limited number of noncareer positions may be established for up to 120 days.
- l. hiring for positions in the Executive Office of the President that are necessary for an orderly transition and operation of the new Administration.

7. Appeals. Additional exemptions may be granted in a very limited number of cases if a determination is made by the Director of the Office of Management and Budget that such action is necessary to assure that essential services are provided, fundamental needs are met, and applicable provisions of law are carried out. When an agency head believes that circumstances warrant an exemption, other than those automatically permitted under section 6 of this Bulletin, an appeal must be made by letter, addressed to the Director of the Office of Management and Budget and signed by the agency head. The need for additional personnel must be fully justified, including an explanation as to why reallocation within the agency is not feasible.

8. Use of savings. Dollar savings generated from personnel reductions may be applied to other approved program activities within the same appropriation in the following order of priority:

- a. to offset the need for mandatory program supplemental appropriations or amendments that could otherwise be submitted to the Congress under the provisions of the Antideficiency Act (31 U.S.C. 665(e)).
- b. to reduce the 1981 pay supplemental transmitted with the 1982 Budget.

However, where personnel reductions result in withholding of appropriations from obligation, the reporting requirements prescribed by the Impoundment Control Act of 1974 apply, as set forth in OMB Circular No. A-34 and OMB Bulletin No. 75-15. In such cases, rescission proposals or deferral reports will be prepared and submitted to OMB for inclusion in a special message on rescissions and deferrals.

9. Revised 1982 Budget. The personnel reduction will be a part of the Administration's revised 1982 Budget. Further instructions will be provided in a later bulletin that will address budget revision procedures.

10. Effective dates. The instructions in this Bulletin are effective immediately and will remain in effect until further notice.

11. Inquiries. Questions regarding the instructions in this Bulletin will be addressed to the OMB representatives in charge of the agency's budget estimates.



Dale R. McOmber  
Acting Director

DDA 81-025272

6 FEB 1981

The Honorable David Alan Stockman

DDA REGISTRY

FILE: Personnel

Dear Dave,

I have assessed in some detail the impact of the President's hiring freeze on the CIA. I am now satisfied that the Agency will suffer from even a short freeze because of the unusual nature of its hiring process. You are no doubt aware of the stringent security requirements that must be met by all prospective Agency employees--an exhaustive 15-year background investigation, polygraph interview, and the like. This selection and clearance process typically stretches out over six months and, as you might expect, we lose a lot of good people just because they either can't or chose not to tolerate this inconvenience. Those who stick with it do so in largest part because of the good faith that CIA demonstrates.

Even in the best of times, CIA has trouble fillings its authorized position ceiling. This factor, coupled with the fact that over the last three years the Agency has suffered an inordinate skills loss, puts CIA in a very difficult position. The Agency has, within the past year, implemented sweeping improvements in the way it selects and processes prospective employees. While these changes have been productive, CIA has still not been able to significantly shorten this so-called pipeline--the end to end recruiting and processing system used to acquire new employees. If the Agency is required to turn off its pipeline,

It will take literally years to turn it back on again.

The CIA will be most vulnerable in a hiring freeze in what it calls its Hard-to-Get Critical Skills, a longstanding collection of skills that have been particularly difficult to acquire in recent years. Each of these skills categories is significantly under strength now. The Agency has estimated its attrition through the end of the year, and the dilemma looms much larger. The following specifics will give you an appreciation of the dilemma:

<u>Occupational Category (Hard- to-Get)</u>	<u>Under Strength As of</u>	<u>Estimated FY 1981 Attrition</u>
Communications Specialists	100	49
Operations Officers (foreign intelligence collection)	100	100
Engineers and Physical Scientists		75
Computer Specialists		24
Security Officers and Couriers	29	43
Linguists		20
Clericals		165
		<u>475</u>

#### Communications Specialists

The CIA's Office of Communications provides a worldwide service

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of its serious understrength condition, is and will continue to be unable to satisfy overseas communicator requirements in 17 different foreign locations--some new activities, others necessary expansions of existing activities. Moreover, reductions will very shortly have to be imposed at other foreign posts. This will be accomplished by reducing seven overseas stations from a four-communicator complement to a three-communicator complement; reducing ☐ Stations from three communicators to two communicators; and reducing ☐ additional Stations from two communicators to a single communicator. These cuts would result in a reduction of overseas communications operations of some ☐ percent and would eliminate some ☐ percent of current overseas electronic reporting of foreign intelligence. Domestically, the Office of Communications is also responsible for the maintenance and repair of CIA's metropolitan Washington, D.C. telephone service, both unclassified and secure. It

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works. The Office is now estimating that it will increase its usage of overtime some 65 percent just to maintain existing levels of support. If the freeze continues for any appreciable length of time, an additional 10 percent will be necessary. Notwithstanding this extensive and inefficient use of overtime, significant operational delays will occur.

#### Operations Officers

Personnel reductions imposed on the Operations Directorate in 1978 and 1979 combined with a very high retirement rate not unassociated with the reductions have resulted in a significant

loss of unique intelligence skills. The CIA is only in the very early stages of recovering from these losses. Current understrength in this area coincides with dramatic increases and demands for:

- Clandestine intelligence collection against economic, monetary, nuclear, science and technology, and political targets;
- The rebirth of the Agency's covert action capability resulting from events in the Near East, Latin America, and Africa;

[REDACTED]

- The necessity to open new stations overseas.

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In order to satisfy these requirements under less than ideal conditions (hostile overseas environment not conducive to normal family living), it is necessary that we bring 160 career trainees and 40 nonofficial cover officers through the pipeline each year. The pipeline for these officers begins with their initial identification and stretches through their subsequent interviews, security processing, unique tradecraft training, and culminates with foreign language training some 24 to 30 months later. This pipeline is carefully structured continuum. Interrupt any part of it, and you seriously unbalance all other segments.

#### Engineers and Physical Scientists

As with all other hard-to-get occupation categories in the CIA, engineers and physical scientists also present us with unique acquisition problems. All Agencies of government have difficulty



competing with the private sector for the skills of these professionals. As a part of the improvements made in the Agency's selection and processing procedures, as previously discussed, major recruiting emphasis was placed on this category. It has taken us eight months to get 86 people with these skills into our pipeline. These skills are most urgently needed in the Office of Development and Engineering, in support of national reconnaissance programs; at the National Photographic Interpretation Center, where we are initiating major improvements in our ability to process collection data that will be acquired with a new generation of overhead collection systems; in the Office of SIGINT Operations, to work on developing capabilities to recover Soviet data that was lost at the closing of our [ ] sites; and in the Office of Logistics, which is tasked with supporting all of these endeavors that require some combination of civil, mechanical, and electrical engineering skills. In addition, the Office of Scientific and Weapons Research will have increasing difficulty in providing to me analyses of foreign space weapons systems, nuclear warheads, and computer technology. ( )

#### Computer Specialists

The CIA has as much difficulty acquiring computer specialists as it does engineers and physical scientists for all of the same reasons cited above. Programs like SAFE--a large computer system being developed to improve the tools available to intelligence analysts--will be significantly impacted because of an inability to acquire supervisory and operating personnel to man the computer

because of the length of the pipeline for people with these skills and their need for extensive training, the SAFE system may well not begin operation as scheduled. Because of the dynamic nature of the marketplace for these skills, attrition in this category is typically higher than others and will impact ongoing computer operations that this Agency has become so dependent upon.

#### Security Officers and Couriers

The CIA relies on people with these skills to protect our classified information and to protect our facilities, both at home and abroad, that contain not only classified information, but our people as well. Given increasing political instability in the major areas of the world, as most recently evidenced by incidents in the Near East and Latin America, CIA security officers are taking on increasingly responsible assignments with respect to the protection of our employees and our property located overseas.

~~people as well.~~ Our security officers play critical roles in performing security investigations, not only for prospective CIA employees, but also for the myriad of people in the private sector working on classified CIA contracts--some with the very highest clearance requirements of our government. CIA security officers are also very heavily and continually involved in counter-intelligence and antiterrorist activities overseas. Regarding ~~our cl~~

Regarding our couriers, we rely on them to routinely service over 700 delivery and pickup points around the world on a 24-hour-a-day basis. We are presently some 30 percent under strength in this occupational category and, without relief, will have no recourse but to <sup>divert</sup> ~~devote~~ professional employees from their primary intelligence-related responsibilities to perform these courier duties, to the further detriment of CIA's intelligence collection and production responsibilities.

### Linguists

Skilled linguists are a vanishing breed in America. This comes at a time of increased demand for linguists by both the government and multinational corporations. For example, increased

requirements to [redacted] have been levied on [redacted] The

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Operations Directorate is debriefing an ever-increasing number of [redacted] and has requirements for overseas operations officers for very esoteric languages overseas. At this time, the DDO is 50 percent below its language capability need. In many cases, there are only a few people in the United States who speak and read the more difficult languages-- Chinese, Russian, and Arabic, for example. Once an applicant with a language capability is found, it is absolutely necessary to hire the person if he/she meets other necessary qualifications.

### Clericals

As you might suspect, we <sup>experience</sup> ~~experience~~ our highest attrition rates in the clerical fields and yet in many ways ~~are~~ most dependent upon these skills to make our daily processes operate

effectively and efficiently. We are talking here not only about typists and stenographers who produce our large numbers of intelligence reports, but also with the file clerks who help compile voluminous data and with the payroll clerks who ensure that our employees are paid. Based on the Carter hiring freeze, for example, the Operations Directorate has already accumulated 75 clerical vacancies in Headquarters and 30 additional clerical vacancies in the field. CIA has historically utilized spouses of their employees to satisfy clerical requirements in the field. This has obviated the need to send secretaries around the world at a significant annual savings. This hiring freeze, while precluding us from ~~meeting~~<sup>satisfying</sup> clerical requirements overseas, is also precluding us from satisfying these requirements in the most efficient manner. This is just one example of our clerical difficulties. Others of equal magnitude exist everywhere in the Agency.

#### Applicants in Process

The CIA's selection and processing pipeline that I have previously described is a very expensive one. Nearly 80 percent of the prospective employees that CIA had in process on the 20th of January fall into one of the Hard-to-Get occupational categories just described--those skilled areas that are presently most critical to the CIA. Because of the sunk costs in these prospective employees and the fact that we will ultimately hire only 250 or so of them, I would propose that the CIA not interrupt this processing and that those who survive the process be allowed to enter on duty.

I further request that CIA be authorized to continue to hire in those Hard-to-Get occupational categories listed above with the understanding that we will not exceed the authorized ceiling at any time in ~~any~~ any one of them.

William J. Casey